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RECORDATION NO. 24569 FILED

AUG 25 '03

12:36 PM

SURFACE TRANSPORTATION BOARD

August 25, 2003

New Recordation No.

Dear Mr. Williams:

On behalf of Deutsche Bank Trust Company Americas, as Collateral Agent for the benefit of Secured Creditors, I submit for filing and recording under 49 U.S.C. § 11301(a) and the regulations applicable thereunder, executed counterparts of a primary document, not previously recorded, entitled Memorandum of Security Agreement ("Security Agreement"), dated as of August 1, 2003.

The parties to the enclosed Security Agreement are:

Deutsche Bank Trust Company Americas,
as Collateral Agent
60 Wall Street
New York, NY 10005

- SECURED PARTY/for Indexing
MORTGAGEE

Pacer International, Inc.,
f/k/a Land Transportation Services, Inc.,
using trade/fictitious
names Pacer Cartage, Pacer Global Logistics
and Pacer Stacktrain.
2300 Clayton Road
Concord, CA 94520

- DEBTOR/for Indexing
MORTGAGOR

The said Security Agreement, among other things, grants a security interest by the Debtor to the Secured Party in ALL ROLLING STOCK NOW OWNED OR HEREAFTER ACQUIRED by Debtor, including but not limited to the two hundred eight (208) articulated double stack railcars, BRAM numbers (formerly APLX numbers) in Annex M (copy attached), and also now existing or hereafter acquired interest in any Rolling Stock.

The equipment covered by the instant Security Agreement is all now owned or hereafter acquired Rolling Stock.

A short summary of the Security Agreement to appear in the Surface Transportation Board Index is as follows:

"Covers all Rolling Stock now owned or hereafter acquired and all now existing or hereafter acquired interest therein."

Please index separately the name Land Transportation Services, Inc. as a mortgagor in the Surface Transportation Board Index saying: "See Recordation No. 24 569."

Please index separately the name Pacer Cartage as a mortgagor in the Surface Transportation Board Index saying: "See Recordation No. 24 569."

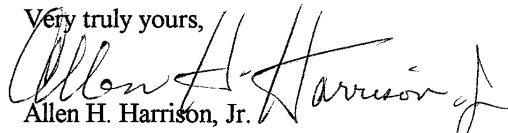
Please index separately the name Pacer Global Logistics as a mortgagor in the Surface Transportation Board Index saying: "See Recordation No. 24 569."

Please index separately the name Pacer Stacktrain as a mortgagor in the Surface Transportation Board Index saying: "See Recordation No. 24 569."

Enclosed is a check in the amount of one hundred fifty (\$150.00) dollars, thirty (\$30.00) dollars of which is in payment of the filing fee and one hundred twenty (\$120.00) dollars of which is for the requested extra indexing.

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the letter from the Surface Transportation Board acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,



Allen H. Harrison, Jr.
Attorney for Deutsche Bank Trust Company Americas,
as Collateral Agent,
for the purpose of this filing.

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Enclosures

BY HAND

8208-020

ANNEX M TO
SECURITY AGREEMENT

ROLLING STOCK

**208 Articulated Double Stack Railcars manufactured by Thrall Manufacturing Company
bearing BRAN reporting marks and the following road numbers:**

2001	2041	2100	2146	4520	4558	5008
2003	2042	2101	2147	4521	4559	5009
2004	2043	2104	2148	4523	4560	5010
2005	2044	2107	2150	4524	4561	5011
2006	2045	2108	2151	4525	4562	
2007	2046	2110	2152	4527	4563	
2008	2048	2111	2153	4528	4564	
2009	2049	2112	2154	4529	4565	
2010	2050	2113	2155	4530	4566	
2011	2051	2114	2156	4531	4567	
2013	2052	2115	2157	4532	4568	
2014	2054	2117	2158	4533	4569	
2015	2055	2120	2160	4534	4570	
2016	2056	2121	2163	4535	4571	
2017	2057	2123	2164	4536	4572	
2018	2061	2124	2165	4537	4574	
2019	2062	2125	2166	4538	4575	
2020	2063	2126	4501	4539	4576	
2021	2064	2127	4502	4540	4577	
2022	2066	2129	4503	4541	4578	
2023	2069	2130	4504	4542	4579	
2025	2074	2131	4505	4543	4580	
2027	2075	2132	4506	4544	4581	
2028	2077	2133	4507	4546	4582	
2029	2079	2134	4508	4547	4583	
2030	2081	2136	4509	4549	4585	
2031	2082	2137	4511	4550	5000	
2032	2089	2138	4512	4551	5001	
2033	2090	2139	4513	4552	5002	
2034	2091	2140	4514	4553	5003	
2037	2094	2141	4515	4554	5004	
2038	2095	2143	4516	4555	5005	
2039	2097	2144	4517	4556	5006	
2040	2099	2145	4519	4557	5007	

MEMORANDUM OF SECURITY AGREEMENT

This MEMORANDUM OF SECURITY AGREEMENT is made as of August 1, 2003 by and between Pacer International, Inc., a Tennessee Corporation with an address at 2300 Clayton Road, Concord, CA 94520, f/k/a Land Transportation Services, Inc., and using trade/fictitious names Pacer Cartage, Pacer Global Logistics and Pacer Stacktrain, as Assignor ("Debtor") and Deutsche Bank Trust Company Americas, as Collateral Agent for the benefit of Secured Creditors ("Secured Party"), with an address at 60 Wall Street, New York, NY 10005 (the aforesaid entities together hereinafter "Parties.")

WHEREAS, the Parties, among others, entered into that certain Security Agreement dated as of June 10, 2003, the instant document being a memorandum thereof between the Parties; and

WHEREAS, among the items of collateral pledged by the Debtor to the Secured Party are any and all railroad cars, locomotives, stacktrains and other rolling stock and accessories used on such railroad cars, locomotives and other rolling stock (including, but not limited to, superstructures and racks) (collectively, "Rolling Stock") NOW OWNED OR HEREAFTER ACQUIRED by Debtor including, but not limited to, the two hundred eight (208) articulated double stack railcars bearing BRAN reporting marks (formerly APLX reporting marks) in Annex M attached hereto and all now existing and hereafter acquired interest of any type by the Debtor in any Rolling Stock.

NOW, THEREFORE, for good and valuable consideration, the sufficiency and receipt of which is acknowledged, and intending to be legally bound, the Parties, wishing to show for the public record the security interests recited hereinabove, have caused this MEMORANDUM OF

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AUG 25 '03

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SURFACE TRANSPORTATION BOARD

SECURITY AGREEMENT to be executed by their duly authorized officers as of the date first
above written.

PACER INTERNATIONAL, INC.
f/k/a Land Transportation Services, Inc. and
using trade/fictitious names
Pacer Cartage, Pacer Global Logistics and
Pacer Stacktrain.

By: LC Harberry
Name: Lawrence C Harberry
Title: Executive Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Collateral Agent

By: _____
Name: _____
Title: _____

SECURITY AGREEMENT to be executed by their duly authorized officers as of the date first
above written.

PACER INTERNATIONAL, INC.
f/k/a Land Transportation Services, Inc. and
using trade/fictitious names
Pacer Cartage, Pacer Global Logistics and
Pacer Stacktrain.

By: _____
Name: _____
Title: _____

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Collateral Agent

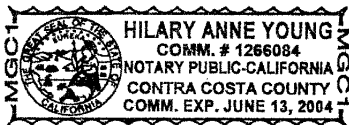
By: Marguerite Sutton
Name: Marguerite Sutton
Title: Vice President

STATE OF California)
COUNTY/CITY OF Contra Costa)

SS:

On this 18 day of August, 2003 before me personally appears
Lawrence Yarberry, to me personally known, who by me duly sworn, says that
he/she is the EVP & CFO of Pacer International ~~Logistics~~, Inc.
("Pacer"), that the foregoing instrument was signed on behalf of Pacer by authority of its Board of
Directors, and he/she acknowledged that the execution of the foregoing instrument was the free
act and deed of Pacer.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



[SEAL]

Hilary Anne Young
Notary Public

My Commission expires: 6/13/2004

STATE OF New York)
COUNTY/CITY OF New York)

SS:

On this 18th day of AUGUST, 2003 before me personally appears
MARGUERITE SUTTON, to me personally known, who by me duly sworn, says that
he/she is the VICE PRESIDENT of Deutsche Bank Trust Company
Americas, as Collateral Agent, ("Bank"), that the foregoing instrument was signed on behalf of
Bank by authority of its Board of Directors, and he/she acknowledged that the execution of the
foregoing instrument was the free act and deed of Bank.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

[SEAL]

My Commission expires:

Jojean Travis
Notary Public

JOJEAN TRAVIS
Registration No. 01TR5013241
New York County
July 15, 2007

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SECURITY AGREEMENT

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bearing BRAN reporting marks and the following road numbers:**

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